

2Q 2025 Earnings Release

Cairo, Egypt

12 August 2025

Oriental Weavers (ORWE), the world's leading manufacturer of woven carpets and the largest Egyptian global brand, today announced its 2Q 2025 financial results.

- Revenue up 7% YoY driven by 6% higher volume in international markets.
- Margins pressured due to higher input cost and pricing limitations in Egypt.
- Net Attributable Profit (excluding rebates) up 44% and profit margin up 2.3ppts.

Key Highlights of 2Q 2025

EGP 6.2B	EGP 0.7B	EGP 0.8B	EGP 0.5B
Revenue ▲ 7% YoY	Gross Profit ▲ 3% YoY 11.7% Margin	EBITDA ▼ 2% YoY 13.0% Margin	NAP ▼ 35% YoY 8.6% Margin

Key Highlights of 1H 2025

EGP 12.6B	EGP 1.5B	EGP 1.7B	EGP 1.0B
Revenue ▲ 17% YoY	Gross Profit ▼ 9% YoY 12.0% Margin	EBITDA ▼ 10% YoY 13.3% Margin	NAP ▼ 16% YoY 8.3% Margin

- Gross profit was EGP 0.7B, up 3% YoY, while gross profit margin was down 0.5ppts YoY to 11.7%, driven by rising costs that was not compensated by price increases.
- EBITDA was EGP 0.8B, down 2% YoY, margin was down 1.2ppts YoY to 13.0%, driven by lower gross profit and 25% higher SG&A.
- Net attributable profit was EGP 0.5B, down 35% YoY, margin was down 5.7ppts YoY to 8.6%, driven by lower operating performance in addition to 80% decline in export rebates.

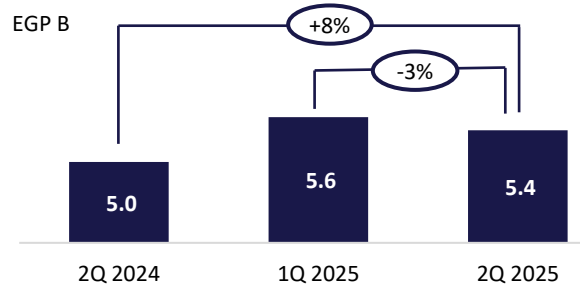
Commenting on the second quarter, CEO Hazem Al Zifzaf Stated:

"Oriental Weavers continue to navigate challenging macro conditions at Home and abroad, weighting on demand and pricing. To manage this, we are focused on enhancing operational efficiencies, optimizing costs, and restructuring high-cost units, while leveraging our R&D capabilities to launch higher-margin products in profitable channels and destinations. These actions will strengthen our margins and position us to capture growth once the pent-up demand starts, as seen in previous down cycles."

Financial Highlights – 2Q 2025

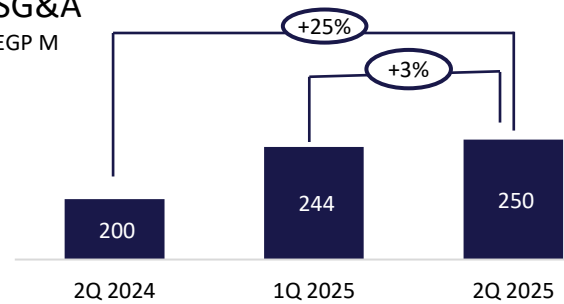
COGS was EGP 5.4B, up 8% YoY, driven by 15% YoY increase in manufacturing overheads driven by 26% increase in labor cost, 11% increase in depreciation, and the devaluation. Raw materials increased only 3% YoY despite the devaluation due to the 4% YoY decline in polypropylene prices.

COGS
EGP B



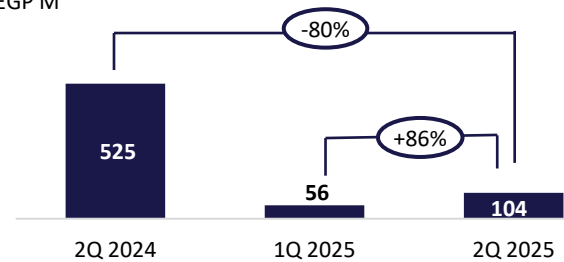
SG&A was EGP 250M, up 25% YoY, driven by higher labor salaries and transportation costs, leading SG&A to sales up to 4.1% vs 3.5% in 2Q 2024.

SG&A
EGP M



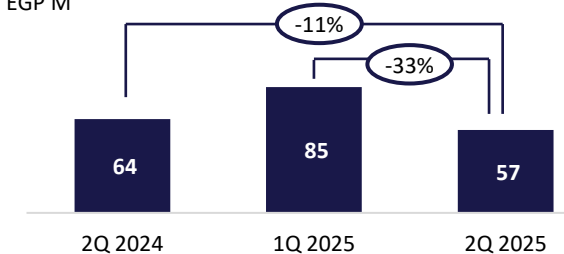
Export rebates were EGP 104M, reflecting an 80% decline YoY. The recognized amount pertains entirely to the export rebate program covering the period from July 2024 to June 2025. It excludes approximately EGP 100M in cash rebates related to backlog claims from programs prior to July 2024, which have been fully recognized in 3Q 2025. We expect to recognize a total of EGP 700M in 2025.

Export Rebates
EGP M



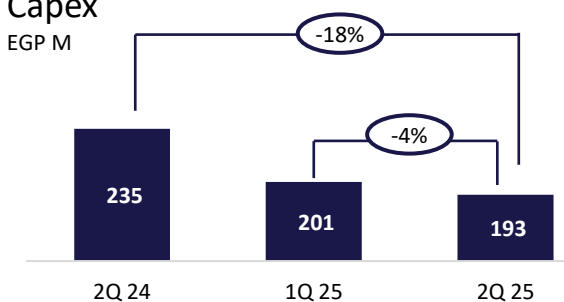
Net interest income was EGP 85 million, vs EGP 48M in 2Q 2024. Interest income was EGP 197 million in 2Q 2025, down 3% YoY, yet still surpassing the increase in net interest expense, reflecting efficient cash management.

Net Interest Income
EGP M



Capex down 18% YoY to EGP 193M with Capex to sales dropping from 4% to 3%. Capex to date is EGP 393M, while our total budgeted capex for the year is EGP 1.6B.

Capex
EGP M



Net debt increased to EGP 1.4B vs EGP 0.9B in 1Q 2025, driving a net debt to EBITDA increase from 1.1x in 1Q 2025 to 1.8x in 2Q 2025. Although total debt declined by 5% in 2Q 2025 to EGP 7.5B, total cash dropped 13% to EGP 6.1B—mainly due to dividend payouts in April.

Sales Highlights – 1H 2025

International Sales

(68% of Revenue, 62% of Volume)

Woven volume up 7% YoY implying a share gain in international markets despite softer markets conditions and tariffs uncertainties, and ASP up 23% driven by devaluation, both delivering a 31% YoY revenue increase.

Tufted volume down 6% YoY on soft market conditions, while ASP up 14% driven by devaluation, delivering a 7% YoY revenue increase.

Non-Woven volume up 31% YoY as the strong momentum from 1Q continued through 2Q, supported by higher allocations to international markets, and ASP up 23% driven by devaluation, both delivering a 61% YoY revenue increase.

Egypt Sales

(32% of Revenue, 38% of Volume)

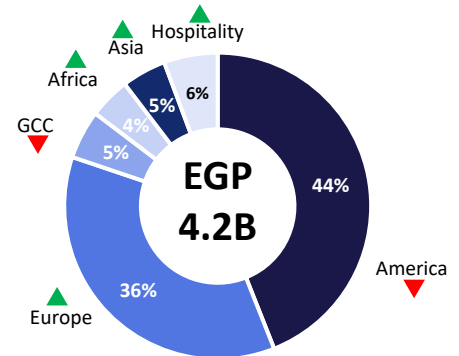
During the first half, market conditions remained soft, with constrained consumer purchasing power coupled with a shift to cheaper soft flooring alternatives.

Woven volume down 15% YoY, while ASP up 16%, delivering a 1% YoY revenue decline.

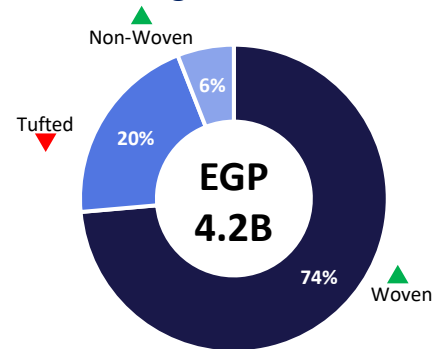
Tufted volume down 18% YoY, while ASP up 20% limiting the revenue decline to 2%.

Non-Woven volume down 9% YoY, while ASP up 73%, delivering a 58% YoY revenue increase.

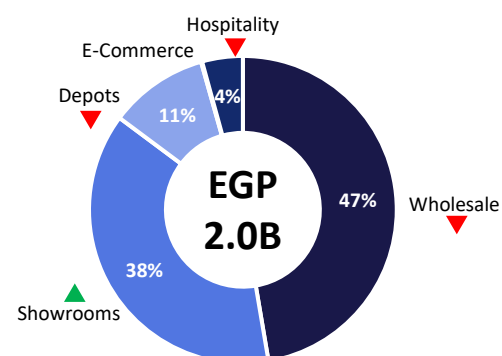
Regional Mix



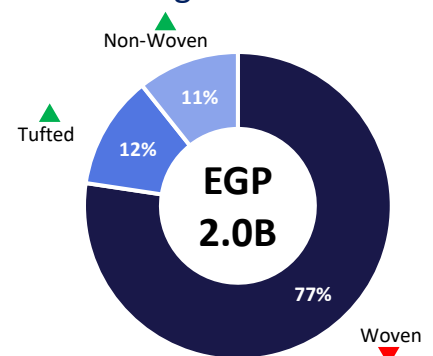
Segment Mix



Channel Mix



Segment Mix



Financials

Income Statement Summary

EGP M	2Q24	1Q25	2Q25	QoQ	YoY	1H24	1H25	YoY
Revenue	5,741	6,398	6,168	-4%	7%	10,780	12,565	17%
Gross Profit	704	786	724	-8%	3%	1,666	1,510	-9%
EBITDA	816	874	800	-9%	-2%	1,851	1,674	-10%
Net Profit	915	551	566	+3%	-38%	1,472	1,117	-24%
Margins:								
GPM (%)	12.3%	12.3%	11.7%	-0.5	-0.5	15.5%	12.0%	-3.4
EBITDA margin (%)	14.2%	13.7%	13.0%	-0.7	-1.2	17.2%	13.3%	-3.8
NPM (%)	15.9%	8.6%	9.2%	+0.6	-6.8	13.7%	8.9%	-4.8

Balance Sheet Summary

EGP M	1H 24	1H 25	YoY
Inventory	9,972	11,189	12%
Cash and Cash Equivalent	2,797	4,060	45%
Others	8,320	7,994	-4%
Current Assets	21,089	23,243	10%
Fixed Assets	8,541	8,195	-4%
Others	2,060	2,319	13%
Non-Current Assets	10,600	10,514	-1%
Total Assets	31,690	33,757	7%
Bank Credit Accounts	6,135	7,104	16%
Others	5,565	5,806	4%
Current Liabilities	11,700	12,910	10%
Non-Current Liabilities	826	635	-23%
Total Liabilities	12,526	13,545	8%
Total Shareholders' Equity	19,164	20,212	5%
Total Liabilities & Shareholders' Equity	31,690	33,757	7%

Cash Flow Summary

EGP M	1H 24	1H 25	YoY
Net Cash Provided by Operating Activities*	1,345	950	-29%
Net Cash Used in Investing Activities	482	13	-97%
Net Cash Used in Financing Activities	(1,376)	(979)	-29%
Net Change in Cash & Cash Equivalents	451	(16)	-103%
Beginning of Period Cash	2,273	4,233	86%
Translation Differences of Foreign Entities	480	(79)	-116%
End of Period Cash	3,205	4,138	29%

* Net profit for 1H 24 includes EGP 528M export rebates, while 1H 25 includes EGP 160M.

About Oriental Weavers:

Oriental Weavers is a global player in machine-woven rugs and carpets; the company is renowned for superior product design and quality, as well as technological innovation. Today, the company is one of the largest producers of machine-made woven rugs in the world. It is management's vision to build a state-of-the-art, internationally competitive carpet and home textile company, characterized by a sharp focus on its customers and driven by marketing- and export-oriented strategies. (www.orientalweavers.com)

Forward-Looking Statement:

Certain information contained in this document consists of forward-looking statements reflecting the current view of the Company with respect to future events, and is therefore subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements, including worldwide economic trends, the economic and political climate of Egypt and the Middle East, and changes in business strategy as well as various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in such forward-looking statements. Recipients of this document are cautioned not to place any reliance on these forward-looking statements. The Company undertakes no obligation to republish revised forward-looking statements to reflect changed events or circumstances.

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